

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2020 - SB 2056

February 20, 2020

SUMMARY OF BILL: Requires the Department of Transportation (TDOT) to offer a former property owner of real property obtained through eminent domain the ability to repurchase the property at the price paid to the former owner if TDOT has not used the property in the previous 20 years.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Federal funding received by TDOT as grants-in-aid which are utilized for eminent domain acquisitions for the purpose of highway, bridge, and roadway projects could be jeopardized and in some instances the federal government may require reimbursement of some portion of the funding. Additional unquantifiable decreases in state revenue to the Highway Fund could be incurred.

Assumptions:

- Pursuant to 23 C.F.R. §710.403(e), government entities using federal grant-in-aid funds to acquire property through the use of eminent domain are required to sell the acquired property at current fair market value and use the funds specifically for transportation purposes.
- To the extent that TDOT acquired a property through eminent domain using federal grant-in-aid funding, the state may be required to refund to the federal government at least the difference between the selling price of the property and the current fair market value of the property.
- Any increase in state expenditures to repay federal grant-in-aid funding will be dependent upon the timing and circumstances of the transactions associated with such properties and cannot be reasonably quantified.
- In addition, there could be a decrease in state revenue to the Highway Fund for resulting from the sale of surplus property obtaining with state funding that is sold for the purchase price, if such property would have been sold at fair market value under current law. The extent of any such decrease cannot be quantified with reasonable certainty.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/jmg